



Great Lakes Water Authority

735 Randolph Street
Detroit, Michigan 48226
glwater.legistar.com

Meeting Minutes - Draft

Board of Directors

Wednesday, June 20, 2018

12:30 PM

Water Board Building 5th Floor

**Special Meeting and Continued Public Hearings
Proposed FY 2019 Schedule of Revenues and Charges and
FY 2019 and FY 2020 Biennial Budget Request**

1. Call to Order

Chairman Hendrix called the meeting to order at 12:37p.m.

2. Quorum Call

Present: 6 - Chairman Freman Hendrix, Vice Chairman Brian Baker, Secretary Abe Munfakh, Director Gary Brown, Director Robert Daddow, and Director Craig Hupy

3. Approval of Agenda

Chairman Hendrix requested a Motion to approve the Agenda.

Motion By: Craig Hupy

Support By: Gary Brown

Action: Approved

The motion carried by a unanimous vote.

4. Approval of Minutes

A. [2018-788](#) May 23, 2018 Board of Directors Meeting Minutes.Draft

Attachments: [May 23, 2018 Board of Directors Meeting Minutes](#)

Chairman Hendrix requested a Motion to approve the May 23, 2018 Board of Directors Meeting Minutes.

Motion By: Abe Munfakh

Support By: Brian Baker

Action: Approved

The motion carried by a unanimous vote.

5. Public Comment

Jim Capizzo came before the Board to request that Board meetings are held in a larger meeting room.

6. Continued Public Hearings

A. [2018-789](#) Continued Public Hearings on Proposed FY 2019 Schedule of Revenues and Charges and FY 2019 & FY 2020 Biennial Budget Request

Attachments: [GLWA Budget Presentation](#)
[Cindy Darrah Public Hearing Comment](#)

Chairman Hendrix opened the Public Hearings regarding Proposed FY 2019 Schedule of Revenues and Charges and FY 2019 and FY 2020 Biennial Budget Request at 12:41 p.m., with a presentation by Nicolette Bateson, Chief Financial Officer/Treasurer.

Following the presentation, Chairman Hendrix asked if there was anyone in the audience that would like to make comments regarding the Budget and/or Revenues and Charges.

There being no comments, Chairman Hendrix closed the Public Hearing at 1:00 p.m.

7. Communications

A. [2018-781](#) Receipt of Correspondence

Attachments: [June 13, 2018 Public Hearing Minutes.FY 2019 SRF Project Plan](#)

Motion By: Abe Munfakh
Support By: Brian Baker
Action: Received and Filed
The motion carried by a unanimous vote.

8. Old Business

None

9. New Business

A. [2018-790](#) Resolution Adopting the FY 2019 & FY 2020 Biennial Budget

Indexes: Finance

Attachments: [GLWA Board Budget Letter Presentation 061718 Final](#)
[Resolution Adopting the FY 2019 FY 2020 Budget final at 1%](#)

Vice Chairman Baker made a Motion, Supported by Secretary Munfakh, to amend the resolution to lower the revenue for charges to a 0% increase and reduce the O & M based on administration coming back with a more detailed plan, no further change in contributions to the reserves, and I & E remains the same as proposed, based on the following:

- 1) FY17 \$100 million combined between revenue and expenses, performance better than budget;
- 2) FY18 \$40 million combined revenue and expenses, estimated, better than performance through May;
- 3) I & E construction funds are not being spent at predicted rates, we have \$600 million in cash;
- 4) \$200 million CIP, which is on pace to spend only \$80 million, which may mean we don't need to fund as much in reserves; and savings that are included in the budget;
- 5) \$60 million estimated in bond and financing that may be \$3 to \$4 million annual savings for next year and going forward;
- 6) \$9 million savings in the DRI Project that came under-budget when the contract was awarded, which will help the long-term financial plan when it comes to how much money to set aside; and
- 7) Close to 100 vacant positions, when filled, will help offset some of the contractual spending.

Chairman Hendrix requested a Roll Call Vote regarding adoption of Resolution 2018-790 as amended to a 0% increase.

Motion By: Brian Baker

Support By: Abe Munfakh

Action: Denied

The motion failed by the following vote:

Aye: 2 - Vice Chairman Baker, and Secretary Munfakh

Nay: 4 - Chairman Hendrix, Director Brown, Director Daddow, and Director Hupy

CEO McCormick proposed amending Resolution 2018-790 to reduce the 1.7% and 1.8% to 1% for both water and sewer.

Chairman Hendrix requested a Motion and Roll Call Vote to adopt Resolution 2018-790 as amended to 1% for both water and sewer.

Motion By: Abe Munfakh

Support By: Craig Hupy

Action: Adopted

The motion carried by the following vote:

Aye: 5 - Chairman Hendrix, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

Nay: 1 - Vice Chairman Baker

B. [2018-791](#) Resolution Regarding Approval of FY 2019 Schedule of Water Service Charges

Indexes: Finance

Attachments: [Approved GLWA FY 2019 Water and Sewer Charges](#)

Resolution 2018-791 was amended to make appropriate pro rata adjustments consistent with the Board's action on the Biennial Budget (Resolution 2018-790).

Chairman Hendrix requested a Motion and Roll Call Vote regarding approval of FY 2019 Schedule of Water Service Charges, as amended.

Motion By: Craig Hupy
Support By: Gary Brown

Action: Approved

The motion carried by the following vote:

Aye: 5 - Chairman Hendrix, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

Nay: 1 - Vice Chairman Baker

C. [2018-792](#) Five Year Capital Improvement Plan (CIP) For Fiscal Years 2019 Through 2023

Attachments: [CIP Resolution 2018 - 792](#)

[Capital Improvement Plan Summary FY 2019-2023 as of 6.15.2018](#)

[GLWA 2019-2023 CIP 20180131 v2.0](#)

[GLWA 2019-2023 CIP 20180206 v2.0 Appendix A](#)

[GLWA 2019-2023 CIP 20180206 v2.0 Appendix B](#)

[GLWA 2019-2023 CIP 20180206 v2.0 Appendix C](#)

Chairman Hendrix requested a Motion and Roll Call Vote regarding Resolution 2018-792 (Five Year Capital Improvement Plan for Fiscal Years 2019 Through 2023).

Motion By: Robert Daddow
Support By: Brian Baker
Action: Approved

The motion carried by the following vote:

Aye: 6 - Chairman Hendrix, Vice Chairman Baker, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

D. [2018-795](#) Approval of the 2018 Memorandum of Understanding ("2018 MOU") between the Detroit Water and Sewerage Department and the Great Lakes Water Authority

Attachments: [2018 MOU final.pdf](#)

Chairman Hendrix requested a Motion and Roll Call Vote regarding Resolution 2018-795 (Approval of the 2018 Memorandum of Understanding ("2018 MOU") between the Detroit Water and Sewerage Department and the Great Lakes Water Authority).

Motion By: Robert Daddow
Support By: Gary Brown
Action: Approved

The motion carried by the following vote:

Aye: 6 - Chairman Hendrix, Vice Chairman Baker, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

E. [2018-785](#) Resolution Regarding Acceptance and Filing of Pump Station No. 1 (PS-1) Ferric Chloride System Rehabilitation and Struvite Removal Project, FY 2019 State Revolving Fund (SRF) Project Plan

Indexes: Finance

Attachments: [Resolution -SRF Project Plan Approval- Ferric Chloride Handout- GLWA PS-1 Ferric Chloride System Rehab and Struvite Removal 061318](#)

Motion By: Abe Munfakh
Support By: Gary Brown
Action: Approved
The motion carried by a unanimous vote.

F. [2018-812](#) Resolution Approval of Series Ordinance Authorizing Issuance and Sale of Sewage Disposal System Revenue Bonds in an Amount not to Exceed \$45,000,000 (Ordinance 2018-01)

Indexes: Finance

Attachments: [BLOOMFIELD-#2096264-1-Resolution Approving 2018 SRF Series Ordinance](#)
[BLOOMFIELD-#2096114-1-Series Ordinance 2018 SRF](#)

Motion By: Brian Baker
Support By: Abe Munfakh
Action: Approved
The motion carried by the following vote:

Aye: 6 - Chairman Hendrix, Vice Chairman Baker, Secretary Munfakh, Director Brown, Director Daddow, and Director Hupy

G. [2018-809](#) Approval of FY2016 Shared Services and Transition Costs True-up between the Detroit Water and Sewerage Department and the Great Lakes Water Authority

Indexes: Finance

Attachments: [Shared Services and Transition Costs True-Up Agreement 6.15.18](#)

Motion By: Robert Daddow
Support By: Craig Hupy
Action: Approved
The motion carried by a unanimous vote.

H. [2018-811](#) Proposed Procurement Policy Amendment for Compliance with the Code of Federal Regulations

Indexes: Finance

Attachments: [Proposed Amendment](#)

Motion By: Abe Munfakh
Support By: Gary Brown

Action: Approved
The motion carried by a unanimous vote.

I. [2018-813](#) **Contract No. GLWA-CS-290 Updated Proposals for Potential Refunding and New Money Bond Transactions**

Indexes: Finance

Attachments: [Attachments A&B](#)
[GLWA-CS-290 Procurement Report 6-13-18](#)

Motion By: Gary Brown
Support By: Craig Hupy
Action: Approved
The motion carried by a unanimous vote.

J. [2018-763](#) **Request to Negotiate the Sale of Goodland Twp, MI Property**

Indexes: General Counsel

Motion By: Abe Munfakh
Support By: Craig Hupy
Action: Approved
The motion carried by a unanimous vote.

K. [2018-794](#) **Request to Authorize GLWA's CEO to Execute Easements to Access Leased Water and Sewer Facilities**

Motion By: Abe Munfakh
Support By: Robert Daddow
Action: Approved
The motion carried by a unanimous vote.

L. [2018-814](#) **Contract No. CS-1705, Change Order No. 2 Employee Benefits Broker**

Indexes: Organizational Development

Motion By: Abe Munfakh
Support By: Robert Daddow
Action: Approved
The motion carried by a unanimous vote.

M. [2018-780](#) **Contract No. 6898 Commercial Janitorial Services**

Indexes: Water Operations

Attachments: [RFP# 48845 - Commercial Janitorial Services Project Overview](#)

Motion By: Robert Daddow
Support By: Gary Brown
Action: Approved
The motion carried by a unanimous vote.

- N.** [2018-782](#) **Contract No.: RFB 1127**
Hauling and Disposal of Ash and Grit
- Indexes: Wastewater Operations
- Attachments: [Procurement Board Summary Hauling Ash and Grit](#)
 [RFB 1127 Bid Tab](#)
- Motion By: Abe Munfakh**
 Support By: Gary Brown
 Action: Approved
 The motion carried by a unanimous vote.
- O.** [2018-783](#) **Contract No.: GLWA CON-279**
Rehabilitation of Central Offload Facility at WRRF
- Indexes: Wastewater Operations
- Attachments: [GLWA-CON-279 Bidtab](#)
 [CIP 213002 WRRF COF Rehab](#)
 [GLWA-CON-279-Procurement Report](#)
- Motion By: Brian Baker**
 Support By: Craig Hupy
 Action: Approved
 The motion carried by a unanimous vote.
- P.** [2018-784](#)
- Contract No.: RFB 1163**
 Sodium Bisulfite
- Indexes: Wastewater Operations
- Attachments: [RFB 1163 Bid Tab](#)
 [Procurement Board Summary Sodium Bisulfite nnb edits](#)
 [RFB 1163 Vendor Response Form Sodium Bisulfite](#)
 [FRED 5 year](#)
- Motion By: Brian Baker**
 Support By: Abe Munfakh
 Action: Approved
 The motion carried by a unanimous vote.
- Q.** [2018-787](#) **CEO's KPI Report**
- Attachments: [6-20 Red, Yellow Green Report](#)
 [Reso 2018 -787 Explanation of CEO Red and Yellow Report May, 2018](#)
 [Key Metrics Dashboard for GLWA Board 06.20.18-FINAL2](#)
- Motion By: Craig Hupy**
 Support By: Abe Munfakh

Action: Received and Filed
The motion carried by a unanimous vote.

The Board will also discuss such other matters.

10. Reports

None

11. Remarks

A. Chairperson's Remarks

Chairman Hendrix expressed his appreciation to Member Munfakh for his leadership and willingness to compromise during the adoption of the Biennial Budget.

B. Board Members' Remarks

Vice Chairman Baker inquired about the status of the Reconciliation Committee members selection, and the Model Water Contract, the revenue declines, the Dearborn adjustments and how they're paid for in the Budget that was adopted.

12. Other Matters

William M. Wolfson, Chief Administrative and Compliance Officer, extended a thank you to GLWA's and DWSD's Information Technology and Facilities teams for the quick work they've done with improving the sound, lighting, and television screens in the Board Room.

Mr. Wolfson also recommended to the Board that the June 27, 2018 Board of Directors Meeting be cancelled, as the Board has covered that business today. That being said, the June 27, 2018 Board of Directors meeting is cancelled.

13. Adjournment

Chairman Hendrix requested a Motion to Adjourn.

Motion By: Abe Munfakh
Support By: Craig Hupy
Action: Approved
The motion carried by a unanimous vote.

There being no further business, the meeting was adjourned at 2:52 p.m.